GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:869
ANSWERED ON:01.03.2016
Import of Urea
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS & FERTILIZERS be pleased to state:

(a) whether a remarkable increase has been registered in import of urea into the country specially from China vis-Ã -vis domestic production, if so, the details thereof and the reasons therefor along with the steps taken to formulate any policy to reduce the said import as well as to ensure quality checks on imported fertilizers;

(b) whether quality of agriculture land and crops are being affected adversely due to excess use of urea, if so, the details thereof along with the details of studies conducted by the Government in this regard, if any;

(c) whether the Government is taking any measures to increase the production of indigenously manufactured organic fertilizers to reduce use of urea in the country and if so, the details thereof;

(d) the number of urea plants functioning and closed in the country at present and the steps taken to revive the closed urea plants and boost domestic production of the urea; and

(e) whether the price of urea in the international market has registered a steep fall in the recent times, if so, whether this steep fall will hamper the revival proposals of closed urea plants in the country?

Answer

MINISTER OF STATES IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SHRI HANSRAJ GANGARAM AHIR)

(a): Urea for direct agricultural use is imported on Government account to bridge the gap between assessed demand and indigenous production. The country-wise import of urea during the last three years and current year (up to January, 2016) are as under:-

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<Qty in LMT>

Name of country	2012-13	2013-14	2014-15	2015-16*
China	37.67	29.47	66.34	42.39
CIS	7.07	-	-	-
Indonesia	0.63	1.11	-	-
Iran	15.76	16.49	6.52	16.53
Kuwait	-	-	-	0.86
Lithuania	-	-	-	0.63
Oman	18.90	23.31	14.63	19.67
Russia	-	0.50	-	-
Ukraine	-	-	-	1.18
Vietnam	0.41	-	-	-
Total	80.44	70.88	87.49	81.26

* upto January, 2016

Government is always encouraging production of fertilizers in the country to achieve self-sufficiency. The Government has notified the New Investment Policy (NIP) 2008 and 2012 on 4th September, 2008 and 2nd January, 2013 respectively and Modified New Pricing Scheme (NPS)-III on 2nd April, 2014 to facilitate extra domestic production of urea and for fresh investment in urea sector to reduce India's import dependency. The NIP 2012 was further amended on 7th October, 2014.

Further to this Government has also notified the New Urea Policy (NUP)-2015 for existing gas based urea manufacturing units on 25th May, 2015 with the twin objectives of maximizing indigenous urea production and promoting energy efficiency in urea production while rationalizing subsidy burden on the Government. It is expected to prepare the domestic urea sector to become globally competitive in terms of energy efficiency over a period of three years.

In order to check the quality of imported fertilizers, the fertilizer inspectors of Central Fertilizer Quality Control & Training Institute (CFQC&TI) and its regional laboratories draw samples from the fertilizer ships arriving at Indian ports and send the samples to the laboratories. Thereafter, the samples are analyzed by the qualified analyst of the laboratories.

(b): The Indian Council of Agricultural Research under All India Coordinated Research Project on 'Long-Term Fertilizer Experiments' has assessed the impact of long term use of chemical fertilizers in different soil types (fixed locations) under dominant cropping systems. The investigation over the last few decades indicated that even in NPK fertilized system, the deficiency of micro and secondary nutrients surfaced after few years affecting soil health and crop productivity. The limiting nutrients do not allow the full expression of other nutrients, thereby, lowering the fertilizer responses and crop productivity. Highest decline in crop yield was observed in plot receiving only Urea. Only use of organic manure along with optimal dose of NPK maintained soil health/quality with higher crop productivity.

Besides, there is possibility of nitrate contamination in ground water above the permissible limit of 10 mg NO3-N /L due to excessive use of nitrogenous fertilizers including urea particularly in light textured soils that has consequence on human/animal health if used for drinking purpose. There is also possibility of release of N2O in the atmosphere through the process of de-nitrification of nitrogenous fertilizers, particularly, under submerged soil condition, thereby, contributing to global warming.

(c): Government is promoting the production of organic fertilisers/manures by providing 100% financial assistance to State Government/Government Agencies upto a maximum limit of Rs 190.00 lakh per unit and 33% of project cost maximum limited to Rs 63 lakh per unit for individuals/private agencies through NABARD as capital investment for establishment of agro/vegetable waste compost production units of 3000 TPA production capacity. The Department of Fertilizer has notified a policy on promotion of city compost which will provide market development assistance in the form of fixed amount of Rs 1500 per tonne of City compost for scaling up production and consumption of the product.

(d): At present, thirty urea plants are functional and ten urea plants are closed in the country. Government of Indian has decided to revive closed urea units of FCIL and HFCL subject to non recourse to Government funding.

(e): Urea prices are determined by demand and supply of urea in the international market. The price of urea shows a decline trend during the current year. The steep fall in the price of urea in international market, if it so happens, is not likely to affect the revival prospect of closed fertiliser units, since these issues are addressed in NIP 2012 announced by the Government on 2nd January, 2013 and amended on 07th October, 2014 by way of floor and ceiling price.

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